



Irish Life Weekly Investment Bulletin

The week that was – WEEK 51 (ending 16/12/2016)

“Christmas isn't a season. It's a feeling.” - Edna Ferber

Residential property prices up 7.1% in the year to October – The Central Statistics Office reported that residential property prices nationwide rose by 7.1% in the year to October, compared to 4.4% in the year to October 2015. Dublin prices increased by 5.5% whereas property in the rest of the country rose by 10.2%.

Fed raises U.S. rate by 0.25% and signals more increases – The Federal Reserve has increased its key interest rate to between 0.5% and 0.75%, responding to a growing economy and healthy labour market. It's only the second increase since 2008, but the Fed signaled that it expects to raise rates more often in 2017.

Global stock market up 0.1% on the week – The MSCI AC World TR Index had a 0.13% return from 9th December to 16th December as markets took stock of the 0.25% U.S. interest rate rise and expectations of more in 2017. 10-year U.S. Treasury yields hit 2.58%, reaching their highest level since September 2014.

Eurozone monthly inflation down in November but annual rise – Latest data from the European Union's statistics office Eurostat showed consumer prices in the eurozone fell 0.1% month-on-month in November for a 0.6% year-on-year rise, an increase from the annual rises of 0.5% in October and 0.4% in September.

BoE holds U.K. interest rate steady at 0.25% – The Bank of England's nine-strong Monetary Policy Committee voted unanimously to maintain interest rate at 0.25% and continue its quantitative-easing scheme. However, the central bank warned of a possible inflation rise and slower wage growth in 2017.

ESM group suspends debt relief for Greece – The European Stability Mechanism said it was putting the short-term Greek debt relief measures agreed at the Dec. 5 Eurogroup meeting "temporarily on hold" as plans by the Greek government to pay a pre-Christmas bonus to some poorer state pensioners had to be analysed.

The Story of the week: Christmas revellers were treated to a novel Christmas sight in Letterkenny after a group of pals hit the town dressed as a Coca Cola truck for a night out. Estate agent Boyd Robinson and his friends thought they would liven up festivities with a bit of original fun. A lot of red cardboard and Santa hats were used in the very 'sophisticated' and 'realistic' truck build. Boyd said he was just thankful that local Gardai took the stunt in the good humour it was meant.

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Index Performances and Market Data*

Equity Markets % (in Local Currency)	2011	2012	2013	2014	2015	2016 YTD (to 16/12)
ISEQ Overall Return	2.6	20.5	35.8	16.8	33.6	-3.0
FTSE 100 TR	-2.2	10.0	18.7	0.7	-1.3	16.8
Euro Stoxx 50 TR	-14.1	18.1	21.5	4.0	6.4	2.7
S&P 500 TR	2.1	16.0	32.4	13.7	1.4	12.8
Nasdaq Composite	-1.8	15.9	38.3	13.4	5.7	8.6
Nikkei 225	-17.3	22.9	56.7	7.1	9.1	1.9
MSCI Emerging Markets	-14.9	13.9	0.9	2.6	-8.0	6.6
MSCI AC World (Gross TR)	-6.0	16.5	26.2	9.9	1.8	10.0
Sovereign 10yr Bond Yields (%)	2011	2012	2013	2014	2015	2016 YTD
U.S.	1.9	1.7	3.0	2.2	2.2	2.6
German	1.8	1.4	1.9	0.5	0.6	0.3
UK	2.0	1.9	3.0	1.9	1.9	1.4
Japan	1.0	0.7	0.7	0.3	0.2	0.1
Ireland	8.4	4.5	3.4	1.3	1.1	0.9
Italy	7.1	4.6	4.1	2.1	1.6	1.8
Greece	31.7	12.7	8.2	9.6	7.9	7.0
Portugal	13.4	6.9	6.1	2.7	2.5	3.7
Spain	5.1	5.4	4.1	1.6	1.7	1.4
Central Bank Rates (%)	2011	2012	2013	2014	2015	2016 YTD
ECB	1	0.75	0.25	0.05	0.05	0.0
Bank of England	0.5	0.5	0.25	0.50	0.50	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.25	0.50	0.75
Foreign Exchange Rates	2011	2012	2013	2014	2015	2016 YTD
Euro/Dollar (€/€)	1.30	1.31	1.37	1.21	1.09	1.04
Euro/Sterling (€/£)	0.83	0.81	0.83	0.78	0.75	0.84
Sterling/Dollar (£/\$)	1.55	1.61	1.65	1.56	1.46	1.24
IPD All Property Return (%)	2011	2012	2013	2014	2015	2016
Ireland	-2.4	3.1	12.7	40.1	25.0	8.5 (to end of Q3)
U.K.	8.1	2.7	10.7	17.8	13.1	1.3 (to end of Q3)
U.S.	14.5	5.3	11.4	11.2	12.1	5.9 (to end of Q3)

*Past performance is not a reliable guide to future performance